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OFFICIAL STATEMENT

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Redevelopment Agency of the City of Redlands

\$5,670,000

Redlands Redevelopment Project 1975 Tax Allocation Bonds

Bids to be received by the Secretary of the Agency at or before 10:00 A.M., Tuesday, July 15, 1975
in the office of the City Clerk, City Hall, 30 Cajon Street, Redlands, California 92373



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REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

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Los Angeles and San Francisco

The information contained in this Official Statement was prepared under the direction of the Redevelopment Agency of the City of Redlands by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the Agency.

All of the following summaries of the statutes and resolutions are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The information contained in this Official Statement has been compiled from sources believed to be reliable. The Official Statement contains estimates and matters of opinion, which are not intended as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

THE DATE OF THIS OFFICIAL STATEMENT IS JULY 3, 1975

[Stone & Youngberg, municipal financing consultants]
Slum clearance Redlands
Investments Public secur.
Public debts Munic.
Taxes Property tax
City planning Shopping centers

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Figure 1 Vicinity Map

Base map courtesy of National Automobile Club, copyright owner

INTRODUCTION

The Redevelopment Agency of the City of Redlands was created by Ordinance No. 1436 of the City Council, dated April 6, 1971 and pursuant to the Community Redevelopment Law of the State of California. Ordinance No. 1436 provides for the City Council to act as the Agency.

Ordinance No. 1500 of the City Council, dated September 26, 1972, approved the Redevelopment Plan for a 500 acre area in the central portion of the City known as the Redlands Redevelopment Project.

The Agency has entered into a disposition and development agreement providing for the construction of a shopping center which will cover an area of six blocks in the central business district. The Agency will acquire all of the land in the six block area (including land owned by the City which will be deeded to the Agency without cost) and will deed the shopping center building sites to the developer. The Agency will also provide approximately 470 surface parking spaces within the six-block area and approximately 150 additional spaces across the street forming the southern perimeter of the six-block area. The developer will construct a subsurface parking garage with approximately 300 spaces below a portion of the shopping center.

The shopping center will contain a department store, a mall and mall shops, a food market and a financial building including a branch bank.

The Agency is also engaged in the redevelopment of a three-block area directly north of the shopping center. A 40,000 square foot furniture store has already been constructed there to house a business formerly located in the six-block area. Plans call for the construction of a restaurant and a professional building including a savings and loan association office.

On April 30, 1974, the Agency sold \$2,440,000 of Series A Parking Lease Revenue Bonds to finance the acquisition and clearance of sites for parking facilities.

On October 30, 1974, the Agency sold \$2,000,000 of 1974 Tax Allocation Notes to finance the acquisition and clearance of additional land, including both land to be used for parking and land to be deeded to the developer.

The proceeds from the sale of the \$5,670,000 of 1975 Tax Allocation Bonds will be used to pay the costs of acquiring and clearing the balance of the

land to be conveyed to the developer in both the six-block area and the adjacent three-block area, plus a portion of the land to be used for surface parking, to redeem \$2,000,000 of 1974 Tax Allocation Notes, to repay a \$300,000 advance from the City to the Agency, and to reimburse certain funds previously advanced to the Agency by the developer.

On July 29, 1975 the Agency will offer for sale \$3,760,000 of Series B Parking Lease Revenue Bonds to finance the acquisition and clearance of the balance of the land to be used for surface parking and the construction of the surface parking facilities.

The parking lease revenue bonds are secured by a pledge of rental revenues due to the Agency under a lease of the parking project to the City. The parking lease revenue bonds are not secured by a pledge of tax increment revenues. However it is expected that such tax increment revenues which are in excess of debt service requirements of tax allocation bonds issued by the Agency will be paid to the City as reimbursements for rentals due under the lease pursuant to a reimbursement agreement approved by the Agency and the City on June 19, 1975.

The 1975 Tax Allocation Bonds are secured by a pledge of the tax increment revenues to be derived by the Agency from the Redlands Redevelopment Project. These tax increment revenues will consist of the amount of taxes collected after August 1, 1975

on the amount of assessed valuation in the Project Area which is in excess of the 1972/73 assessed valuation.

To further ensure payment of the bonds, the following additional safeguards have been provided.

1. An amount equal to the interest which will become due on the bonds prior to the time the Agency expects to receive the first tax increment from the shopping center will be funded from the bond proceeds.
2. There will be deposited in a Reserve Fund, from bond proceeds, an amount which, together with the interest earnings to be derived during the first 24 months after the date of the bonds on the amount of funded interest and the Reserve Fund, will be equal to one year's interest on the bonds.

Redlands is located in the southwestern portion of San Bernardino County, approximately 60 miles east of Los Angeles. The City is well known as an attractive residential community and the site of the University of Redlands. Commerce and industry are also important to the City's economy and retail commercial activity is expected to increase with the completion of the shopping center in the redevelopment project area.

The population of the City was certified by the State Department of Finance to be 37,500 as of January 1, 1975.

THE BONDS

Authority for Issuance

The \$5,670,000 of 1975 Redlands Redevelopment Project Tax Allocation Bonds of the Redevelopment Agency of the City of Redlands currently being offered for sale will be issued pursuant to Resolution No. 143 of the agency, adopted June 27, 1975. The bonds will be issued under provisions of the Community Redevelopment Law, Division 24, Part 1, of the California Health and Safety Code, commencing with Section 33000.

Sale of the Bonds

Bids for the purchase of the bonds will be received by the Redevelopment Agency of the City of Redlands at or before 10:00 A.M. on Tuesday, July 15, 1975. Details of the terms of sale are set forth in the Notice Inviting Bids adopted by the Agency on June 24, 1975.

Description of the Bonds

The bonds will be dated July 1, 1975, and will be initially issued as coupon bonds in denominations of \$5,000 each. The bonds will be numbered 1 to 1,134. The bonds mature on July 1 in the amounts and in the years shown in the accompanying Schedule of Maturities.

SCHEDULE OF MATURITIES

Year	Maturity	Year	Maturity
1978	\$ 90,000	1990	\$230,000
1979	100,000	1991	250,000
1980	110,000	1992	270,000
1981	120,000	1993	300,000
1982	130,000	1994	320,000
1983	140,000	1995	340,000
1984	150,000	1996	370,000
1985	160,000	1997	400,000
1986	170,000	1998	430,000
1987	190,000	1999	470,000
1988	200,000	2000	510,000
1989	220,000		

Interest on the bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 1976. Interest and principal will be paid at or by the Los Angeles or San Francisco Corporate Trust Agency of the Bank of America, NT&SA, fiscal agent of the redevelopment agency. Interest and principal will also be payable at paying agents to be named in Chicago, Illinois and New York, New York.

Redemption Provisions

The bonds maturing on or before July 1, 1987 are not subject to call for redemption prior to their maturity dates. The bonds maturing on and after July 1, 1988 are subject to call for redemption on any interest payment date on and after July 1, 1987. The bonds are redeemable at par, plus accrued interest and a premium equal to one quarter of one percent of the principal amount for each year or fraction of a year from the redemption date to the maturity date.

Registration

The bonds will be issued in two forms: as coupon bonds in denominations of \$5,000 which will be initially issued, and as fully registered bonds in denominations of \$5,000 or any multiple thereof. Coupon bonds and fully registered bonds will be exchangeable, one for the other, at the option of the holder, as more fully set forth in Resolution No. 143.

Legality for Investment in California

The Community Redevelopment Law provides that bonds issued in the manner of, and for such purposes as, these bonds are legal investments for all banks, including trust companies and savings banks, for insurance companies, trust funds, public bodies and various financial institutions, and that such bonds are authorized as security for public deposits.

The Superintendent of Banks of the State of California has ruled that bonds of a redevelopment agency are legal investments in California for savings banks.

Legal Opinion

The unqualified opinion of O'Melveny & Myers, Los Angeles, California, bond counsel to the Redevelopment Agency of the City of Redlands, approving the validity of the bonds will be furnished the purchaser at the time the bonds are delivered. A copy of the legal opinion will be printed on the back of each bond.

The statements of law and legal conclusions set forth in this official statement under the caption "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal procedures required for the authorization of the bonds and to rendering an opinion as to the validity of the bonds and the exemption of interest

on bonds from income taxation. The opinion of Bond Counsel will not consider or extend to any documents which Bond Counsel did not prepare or review or to any agreements, representations, offering circulars or other material of any kind concerning the bonds not mentioned in this paragraph.

Tax Exempt Status

In the opinion of bond counsel interest on the bonds is exempt from federal income taxes and from State of California personal income taxes under existing federal and state statutes, regulations and court decisions.

Security

Under the California Community Redevelopment Law and the Redevelopment Plan, taxes levied by any taxing agency on taxable real property in the project area will be divided as follows:

1. *Frozen Tax Base* — Each year commencing with the 1973/74 fiscal year, each taxing agency which receives ad valorem taxes from the project area has been entitled to receive the amount calculated by applying its then current tax rate to the amount of assessed valuation in the project area up to the amount which was shown on the assessment roll last equalized before the effective date of the Redevelopment Plan (in this case, the 1972/73 roll).
2. *Tax Increment* — Commencing with the 1973/74 fiscal year, the Redevelopment Agency has been entitled to receive the amount calculated by applying the then current tax rates of all taxing agencies to the amount of any increase in assessed valuations over that shown on the 1972/73 equalized assessment roll for the project area. This amount is referred to in this official statement as the tax increment or tax increment revenues, or tax revenues. The first tax increment of the Redlands Redevelopment Project occurred in the 1973/74 fiscal year.

The bonds are payable solely from Tax Revenues (as defined in the Resolution) received on and after August 1, 1975, the Reserve Fund, and from certain other limited funds as provided in the Resolution.

The bonds are special obligations of the Redevelopment Agency. They are not a debt of the City of Redlands, the State of California or any political subdivision of the state. Neither the City, the State, or any of its subdivisions are liable for payment of the bonds.

The Agency does not have the power to tax directly, only to receive the tax increment described above. Accordingly, any reduction in tax rates, either by statute or Constitutional amendment, or any increases in exemptions for the type of property to be located in the project area which are not offset by funds from other sources, would have the effect of reducing the agency's tax revenues.

The extent to which school districts in particular will continue to levy local property taxes in the future may be affected by litigation, now pending before the California Supreme Court, challenging the constitutionality of certain aspects of California's present system of financing public schools.

Creation of Funds

The resolution providing for the issuance of the bonds requires the establishment of the following funds, which are described in more detail in the following sections of this official statement:

1. The Redevelopment Fund, held by the Treasurer
2. The Special Fund, held by the Fiscal Agent
3. The Reserve Fund, held by the Fiscal Agent

Disposition of Bond Proceeds

The proceeds of the bonds will be received by the Treasurer and transferred or held as follows:

1. *Special Fund* — An amount equal to the first 24 months interest on the bonds will be transferred to the Fiscal Agent for deposit in the Special Fund.
2. *Reserve Fund* — There will be transferred to the Fiscal Agent for deposit in the Reserve Fund an amount which, together with the interest earnings to be derived during the first 24 months after the date of the bonds from the deposit or investment of money initially deposited in the Reserve Fund and Special Fund, will be equal to the first 12 months interest on the bonds.
3. *Redevelopment Fund* — The balance of the proceeds will be held by the Treasurer in the Redevelopment Fund.

The Redevelopment Fund

Moneys deposited in the Redevelopment Fund are to be used to finance a portion of the Redlands Redevelopment Project.

The Special Fund

All tax revenues received on or after August 1, 1975, plus transfers from the Reserve Fund, as described below, shall be placed in the Special Fund which is to be held by the fiscal agent. Money in this fund may be used only for the following purposes.

1. *Interest and Principal Payments* — Bond principal and interest will be paid from the Special Fund. As indicated above an amount equal to the first 24 months' interest on the bonds will be transferred to the Special Fund from the bond proceeds. These funds will be available to meet the interest coming due on the bonds through July 1, 1977. Thereafter it is expected that tax revenues will flow to the Special Fund of the Agency in amounts sufficient to meet bond principal and interest payments as they become due.

2. *Reserve Fund* — The resolution requires that the Reserve Fund be maintained in an amount equal to the next two interest payments on the bonds (the minimum reserve fund balance) and provides that if the amount in the Reserve Fund is less than the minimum reserve fund balance the first available moneys in the Special Fund shall be transferred to the Reserve Fund in an amount, if any, required to restore the minimum reserve fund balance, provided that if the amount in the Reserve Fund and the Special Fund is sufficient to pay or redeem the bonds, no transfer into the Reserve Fund need be made.

3. *Transfers to Agency* — On or before January 2 of each year the Fiscal Agent shall calculate the amount of Tax Revenues received, or to be received, based on the current assessed valuation of the project area which will be in excess of the interest and principal to become due on the next July 1 and January 1. The Agency may request that all or a portion of such amount be withdrawn from the Special Fund for any legal purpose, including reimbursements to the City of Redlands of funds expended by the City for purposes beneficial to the Redevelopment Project, and/or for transfer to the San Bernardino County Auditor-Controller for payment to the taxing agencies in the Project Area.

4. *Purchase and Redemption of Bonds* — Any remaining balance may be used to purchase or redeem bonds, and any such balance in the fund on April 1 of each year, beginning April 1, 1987, which is not used to purchase bonds must be applied to the redemption of bonds if the balance is sufficient to redeem a principal amount of at least \$25,000.

Reserve Fund

As noted above, an amount which, together with the interest earnings to be derived during the first 24 months after the date of the bonds from the deposit or investment of money initially deposited in the Reserve Fund and Special Fund, will be equal to one year's interest on the bonds will be placed in the Reserve Fund from bond proceeds. Money in the Reserve Fund may be used to the extent necessary to pay interest on the bonds if the money in the Special Fund is insufficient for the purpose and may be used to meet the final payment of interest and of principal, whether by purchase, redemption prior to maturity or payment at maturity.

If the amount in the Reserve Fund is less than the minimum reserve fund balance the balance must be restored by transfers of the first available money in the Special Fund or, with proceeds of short term borrowings, as described below.

Any moneys in the Reserve Fund in excess of the minimum reserve fund balance shall be transferred by the Fiscal Agent to the Special Fund or the Redemption Fund.

Additional Bonds

The Agency may issue additional parity bonds to meet Redevelopment Project costs, subject to the following conditions:

1. The agency is in compliance with all covenants set forth in the resolution providing for the issuance of these bonds.
2. The maximum annual bond service on the outstanding bonds and the additional bonds shall be at least equaled by the Tax Revenues received or to be received by the Agency during the fiscal year in which such parity bonds are issued, based upon the most recent assessed valuation of the Redevelopment Project Area, plus, at the option of the Agency, an allowance for additional revenues to be received by the Agency during the twelve month period commencing on the day following the end of the period for which interest on the additional bonds shall have been funded from the proceeds of the additional bonds, based on an estimate by the Assessor or Auditor-Controller of San Bernardino County, or by a licensed independent M.A.I. appraiser, of the increase in assessed valuation which will result from projects for which substantial binding obligations have been incurred and for which ade-

quate funds have been committed, without assuming any increase in the then current tax rates.

3. The Reserve Fund will be increased to an amount equal to the next two interest payments on the outstanding bonds and the additional bonds from bond proceeds.
4. Interest on the additional bonds will be payable on January 1 and July 1 and principal will mature July 1.
5. The additional bonds may not be subject to call for redemption prior to July 1, 1987.

The agency may also issue short term notes, payable no later than one year from their date, out of the tax revenues to be received in said one year period, for the purpose of replenishing the minimum reserve fund balance.

Nothing in the bond resolution prevents the agency from issuing additional bonds which are not payable out of the tax revenues or refunding bonds, provided that if such refunding bonds are to be issued to refund only a portion of the outstanding bonds, the Agency must meet the same conditions as imposed for additional bonds.

Investment of Funds

All moneys held by the agency in the Redevelopment Fund or by the fiscal agent in the Special Fund and the Reserve Fund, except such moneys as are invested, shall be held in time or demand deposits in any bank or trust company authorized to accept deposits of public funds and shall be secured by bonds or other obligations authorized as security for public funds.

Moneys in the Redevelopment Fund, the Special Fund and the Reserve Fund may be invested in direct obligations of the United States or obligations for which the full faith and credit of the United States are pledged, subject to the following limitations:

1. Redevelopment Fund: Obligations must mature on or prior to the time the Agency estimates it will require the funds.
2. Special Fund: Obligations must mature prior to the date of the interest or principal payment to which they are to be applied.
3. Reserve Fund: Money in the Reserve Fund may only be invested in negotiable obligations.

Moreover, the Agency covenants in the bond resolution not to cause proceeds from the sale of the bonds to be invested in such a manner as to cause the bonds to be classified as arbitrage bonds and further covenants that it will comply with other Treasury Department regulations regarding arbitrage.

Other Covenants

The resolution providing for the issuance of the bonds contains certain covenants by which the agency agrees:

1. To carry out to completion with practical dispatch the Redevelopment Plan and not to amend the plan in any way which would substantially impair the security of the bonds or the rights of bondholders.
2. To use bond proceeds as provided in the resolution and to manage all properties owned by it in the redevelopment project in a businesslike manner.
3. Not to issue additional bonds which have a superior lien on the tax revenues of the Agency and not to issue bonds having a parity lien on such revenues, except in accordance with the provisions for such additional bonds in the resolution.
4. To punctually pay bond interest and principal when due from the tax revenues.
5. To pay or cause to be paid all in lieu taxes, assessments or other governmental charges which may be imposed on the property or the revenue of the Agency.
6. To keep separate and proper accounts and records and to prepare within 120 days after the

close of each fiscal year a financial statement for the year which shall be certified by an independent certified public accountant and shall be made available to any bondholder on request.

7. To deposit in the Special Fund, for the purpose of paying bond principal and interest, the proceeds of any award for property taken in eminent domain proceedings if such property will become tax exempt as a result.
8. Not to dispose of land area in the redevelopment project area for public use which would make it tax exempt (except property planned for public use in the redevelopment plan) if it would substantially impair the security of the bonds or the rights of bondholders.

Remedies

Any bondholder shall have the right, by mandamus or other appropriate action, to compel the performance, by the agency and its members, of the duties imposed by the bond resolution or the Community Redevelopment Law.

Amendment of Resolution

The bond resolution may be amended with the consent of the owners of at least 60 percent of the outstanding bonds (excluding bonds owned by the Agency or the City of Redlands), provided that no such amendment shall reduce the principal amount of or interest rate on any bond, extend the maturity date or the interest payment dates or the medium of payment of interest and principal, without the consent of the affected bondholder, nor may the percentage required to approve amendments be reduced.

REDLANDS REDEVELOPMENT PROJECT BOUNDARY MAP

PREPARED BY THE PLANNING COMMISSION IN COOPERATION WITH



**THE REDEVELOPMENT AGENCY
OF THE CITY OF REDLANDS CALIFORNIA**

LEGEND

- REDEVELOPMENT PROJECT BOUNDARY
- PROPERTY SUBJECT TO ACQUISITION
- TENTATIVE STREET CONSTRUCTION
- TENTATIVE STREET CLOSURE
- THE PROPOSED SHOPPING CENTER

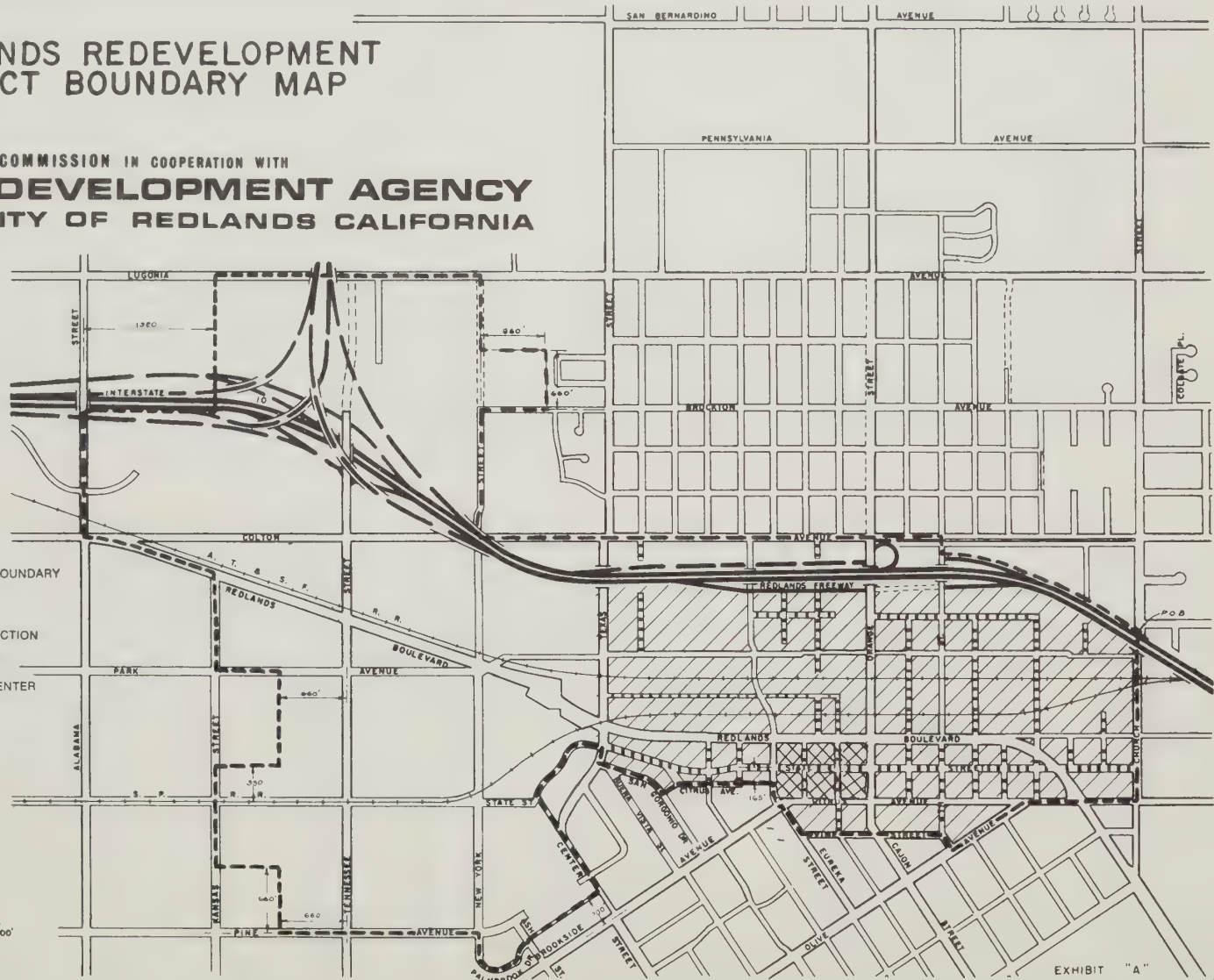
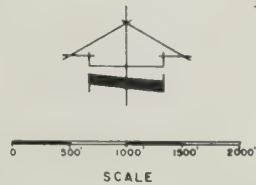


EXHIBIT "A" 9-11-72

Figure 2

THE PROJECT

The 1975 Tax Allocation Bonds are being issued to finance the acquisition and clearance of land for a shopping center and an adjacent three-block commercial area; the repayment of \$2,000,000 of notes sold by the agency on October 1, 1974; and the acquisition of certain land to be used for parking purposes in lieu of certain other lands previously acquired for parking purposes but now to be deeded to the developer.

The project reflects the City's policy of encouraging the maintenance of a strong central business district. As a part of this policy the City has refused to allow commercial zoning for large outlying areas. This has been designed to prevent the type of large shopping centers which have led to the economic decline of the central business districts of many other cities.

The Redevelopment Agency

The Redevelopment Agency of the City of Redlands was created under provisions of Ordinance No. 1436 of the City Council of the City of Redlands, dated April 6, 1971, and pursuant to the Community Redevelopment Law of the State of California. In the Ordinance the City Council declared itself to be Agency.

Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. The Agency has the right to acquire property, by purchase or eminent domain proceedings, to clear, develop and improve property, to sell or lease such property, to accept financial assistance from any source and to issue bonds.

The Community Redevelopment Law authorizes a method of financing redevelopment projects based upon the increase in property taxes within the project area which may occur as redevelopment proceeds. The assessed valuation within the project area is frozen at the level existing prior to the adoption of the redevelopment plan and all overlapping taxing agencies continue to receive the taxes derived by the levy of their current tax rates against assessed valuations of the project area up to this frozen base. All property taxes collected upon any increase in assessed valuations above the frozen base will be credited to a redevelopment agency to the extent necessary to repay any indebtedness incurred by the agency in the development of the project. Such indebtedness may include a contractual obligation

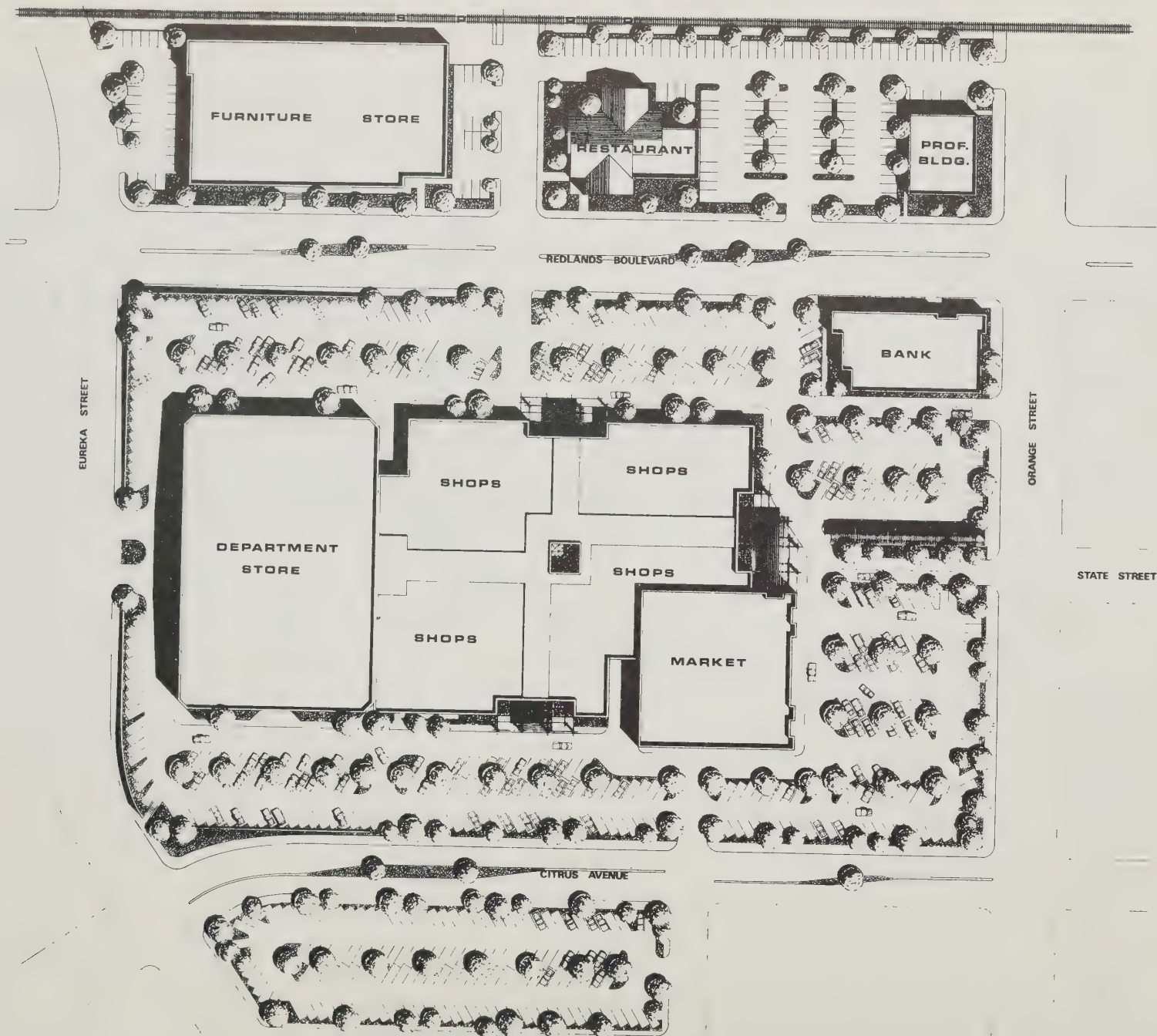


Figure 3

of the agency to reimburse to the city the costs of property, services and improvements provided by the city in aid of the redevelopment program, including rentals.

The Redevelopment Project Area

The Redevelopment Project covers approximately 500 acres of land within the City of Redlands, extending from north of the Interstate 10 freeway across the central part of the City and including the downtown business area.

The boundaries of the project area are shown by Figure 2.

The 1974/75 assessed valuation of the project area is shown in Table 1.

Table 1
REDEVELOPMENT AGENCY OF
THE CITY OF REDLANDS
1974/75 Assessed Valuation

	Total Assessed Valuation	Less: Frozen Tax Base	Increase (Decrease) From Tax Base
Local			
Secured . . .	\$ 9,045,550	\$ 8,083,190	\$ 962,360
Utility	3,460,060	3,139,150	320,910
Unsecured	2,461,040	2,540,840	(79,800)
Total	\$14,966,650	\$13,763,180	\$1,203,470

The Proposed Shopping Center

The proposed shopping center for which the Agency will furnish parking will be located on a 12.6 acre site within the downtown business district of the City. It will include a 60,000 square foot department store, a 22,100 square foot enclosed mall with approximately 74,000 square feet of mall shops, and a 12,000 square foot financial building which will include a 5,000 square foot bank. The Harris Company, which operates department stores in the neighboring Cities of San Bernardino and Riverside and in the City of Indio, southeast of Palm Springs, as well as a 30,000 square foot store in Redlands, has entered into a lease of the department store. Von's has entered into a lease of the market. The developer is negotiating with United California Bank on a lease of space in the financial building.

Approximately 300 parking spaces will be provided by the developer in a 110,245 square foot covered garage extending below the department store and a portion of the mall. Approximately 470 surface parking spaces will be provided by the Agency on 248,300 square feet of land adjacent to the buildings. About 150 additional parking spaces will be provided by the Agency on 50,150 square feet of land located across the street forming the southern perimeter of the 12.6 acre area.

The developer estimates that the shopping center will draw customers primarily from a market area with a population of about 100,000 people.

A diagram of the shopping center, and an adjacent area which is described below, is shown as Figure 3.

The Developer

The developer of the shopping center is R-J Investments, a California Corporation owned by Richard D. Jones, its president, and Frank A. Klaus, former chairman of Microdot, Inc.

Mr. Jones, an attorney, is also the chief executive officer of Northridge Fashion Center, a 1,450,000 square foot regional shopping center in the San Fernando Valley and of Valley Plaza, an 860,000 square foot regional shopping center in Bakersfield. He was responsible for the completion of construction and leasing of the Northridge Fashion Center, which was approximately half constructed and half leased when it came under his direction.

Prior to the formation of R-J Investments Mr. Jones did legal and development work on Metcalf Plaza, Fontana Square and Harbor Heights shopping centers, as well as Northridge Fashion Center and Valley Plaza. Concurrently he engaged from time to time in his own real estate business, consisting of two multistory office buildings, in Pasadena and Whittier, California, construction of apartment units in Pasadena and single residential units in Carpinteria, California.

Adjacent Development

The Agency has named Sequoia Pacific, a Southern Pacific Company, as developer of a three-block area immediately to the north of the shopping center. However it is expected that R-J Investments will be named developer of this area in place of and with the consent of Sequoia Pacific.

A new 40,000 square foot furniture store has been built in this area to house a business which had

been located in the area being acquired and cleared for the shopping center.

Planned development in the area consists of a professional building and a restaurant. Home Savings and Loan Association has made application for a permit for a 2,000 square foot temporary branch office within the Redevelopment Project Area. It is anticipated that it will establish a permanent branch office in the professional building.

The Financing Program

The redevelopment program originally called for the Agency to acquire and clear the six-block area in which the shopping center will be located, to construct surface parking surrounding the shopping center and a parking garage over which a portion of the shopping center will stand, and to sell the developer the site for the shopping center, including air rights to the area over the garage.

On April 30, 1974 the Agency sold \$2,440,000 of Parking Lease Revenue Bonds, Series A, to finance the acquisition and clearance of land to be used for parking facilities, including 55,434 square feet of land to be used for the parking garage. At the time the parking facility sites were acquired the Agency also acquired approximately 18,712 square feet of land which was sold to the developer, together with the air rights over the 55,434 square feet of garage site, for a total of \$296,585.

Subsequently it was determined that it would be impractical for the Agency to construct the garage and the developer to construct the shopping center facilities above it, due to the problems associated with having two contractors and two owners involved in what was to be essentially a single construction project. Accordingly the agreement with the developer was modified to provide that the developer will construct the garage and the Agency will deed to the developer the shopping center site, including the land to be used for the garage.

On October 1, 1974, the Agency sold \$2,000,000 of 1974 Tax Allocation Notes to finance the acquisition, clearance and improvement of additional land, including both land to be retained by the Agency as sites for the surface parking and land to be conveyed to the developer.

The proceeds from the sale of the bonds currently being offered for sale will be used to repay the 1974 Tax Allocation Notes, to acquire and clear the

balance of the land to be conveyed to the developer, to reimburse the \$296,585 previously advanced to the Agency by the developer, to repay a \$300,000 advance from the City to the Agency, and to acquire certain land to be used for surface parking and to be leased to the City in place of that portion of the garage site previously leased to the City.

On July 3, 1975 the Agency authorized the call for bids for \$3,760,000 of Series B Parking Lease Revenue Bonds to be sold on July 29, 1975, to finance the acquisition of the balance of the land to be used for parking purposes, and the construction of the surface parking facilities.

Estimated Financing Requirement

Table 2 shows an estimate of the funds required by the Agency from the proceeds of the 1975 Tax Allocation Bonds and the Series B Parking Bonds currently being offered for sale.

Table 2

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

Estimated Funds Required

	Parking Revenue Bonds	Tax Allocation Bonds
Land Acquisition	\$ 708,308	\$1,095,147
Relocation	345,500	4,500
Demolition	241,910	48,000
Repayment to City	—	300,000
Repayment to Developer	—	296,585
Construction	1,050,000	442,354
Engineering	188,600	35,400
Contingencies	105,000	44,000
Subtotal	\$2,639,318	\$2,265,986
Repayment of 1974 Notes	—	2,040,356
Subtotal	\$2,639,318	\$4,306,342
Funded Interest	676,800	907,200
Reserve	448,400	453,600
Cost of Issuance	75,000	92,000
Total Funds Required	\$3,839,518	\$5,759,142
Less: Interest Earnings	84,000	90,000
Net Funds Required	\$3,755,518	\$5,669,142
Bond Issue	\$3,760,000	\$5,670,000

Maximum Annual Bond Service Requirements

Table 3 shows a schedule of maximum annual bond service for the \$5,670,000 of 1975 tax allocation bonds, based on an interest rate of eight percent, together with the annual revenue requirement after taking into account transfers from the Reserve Fund to the Special Fund as permitted by the resolution.

Estimated Tax Increment

Table 4 shows an estimate of the tax increment to be derived by the Agency upon completion of the shopping center and the adjacent area to the north.

The value of the improvements in the shopping center and the adjacent area are equal to the estimated costs of construction. The estimated costs of construction of the shopping center mall and com-

Table 3

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

1975 Tax Allocation Bonds

Maximum Annual Bond Service Requirement

Year Ending July 1	Principal Outstanding	Interest Estimated @ 8%	Principal Maturing July 1	Total Bond Service	Less, Transfer From Reserve Fund	Net Revenue Requirement
1976	\$5,670,000	\$ 453,600	\$ —	\$ 453,600 ^①	\$ —	\$ ①
1977	5,670,000	453,600	—	453,600 ^①	—	①
1978	5,670,000	453,600	90,000	543,600	7,200	536,400
1979	5,580,000	446,400	100,000	546,400	8,000	538,400
1980	5,480,000	438,400	110,000	548,400	8,800	539,600
1981	5,370,000	429,600	120,000	549,600	9,600	540,000
1982	5,250,000	420,000	130,000	550,000	10,400	539,600
1983	5,120,000	409,600	140,000	549,600	11,200	538,400
1984	4,980,000	398,400	150,000	548,400	12,000	536,400
1985	4,830,000	386,400	160,000	546,400	12,800	533,600
1986	4,670,000	373,600	170,000	543,600	13,600	530,000
1987	4,500,000	360,000	190,000	550,000	15,200	534,800
1988	4,310,000	344,800	200,000 ^②	544,800	16,000	528,800
1989	4,110,000	328,800	220,000 ^②	548,800	17,600	531,200
1990	3,890,000	311,200	230,000 ^②	541,200	18,400	522,800
1991	3,660,000	292,800	250,000 ^②	542,800	20,000	522,800
1992	3,410,000	272,800	270,000 ^②	542,800	21,600	521,200
1993	3,140,000	251,200	300,000 ^②	551,200	24,000	527,200
1994	2,840,000	227,200	320,000 ^②	547,200	25,600	521,600
1995	2,520,000	201,600	340,000 ^②	541,600	27,200	514,400
1996	2,180,000	174,400	370,000 ^②	544,400	29,600	514,800
1997	1,810,000	144,800	400,000 ^②	544,800	32,000	512,800
1998	1,410,000	112,800	430,000 ^②	542,800	34,400	508,400
1999	980,000	78,400	470,000 ^②	548,400	37,600	510,800
2000	510,000	40,800	510,000 ^②	550,800	40,800	510,000
		\$7,804,800	\$5,670,000	\$13,474,800	\$ 453,600	\$12,114,000

① Paid from bond proceeds

② Callable on and after July 1, 1987

mercial areas were provided by Charles Kober Associates, AIA, architects for the developer. The estimated costs of fixtures and inventories were provided by Coldwell Banker, leasing agents for the project. The estimated costs of construction and the estimated value of inventories in the adjacent area were furnished by Coldwell Banker. Land values in both areas are as estimated by the Agency staff.

The valuation of building permits which have been issued for construction of taxable improvements within the Redevelopment Project were compiled by the City Department of Building Safety.

The estimated value of other improvements anticipated within the Redevelopment Project Area were made by the City Director of Community Develop-

ment and the Department of Building Safety. The estimates are based on plans announced by private developers.

It may be noted that the estimated tax increment is sufficient to meet the maximum revenues required to cover debt service on both the Tax Allocation Bonds and the Parking Lease Revenue Bonds, without taking into account any increase in sales tax revenues to be derived by the City, although such sales tax revenues would be available to the City to meet a portion of the rental payments securing the Parking Lease Revenue Bonds. R-J Investments estimates that the shopping center will produce taxable sales of \$10,550,000 which would yield the City \$100,225 in sales tax revenues.

Table 4
REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS
Estimated 1977/78 Tax Increment

	Shopping Center	Adjacent Area	Total
Commercial Buildings	\$4,300,000 ①	\$1,995,000 ②	\$ 6,295,000
Mall	548,000 ①	—	548,000
Fixtures	1,986,000 ②	640,000 ②	2,626,000
Inventories	1,785,000 ②	640,000 ②	2,425,000
Land	937,788 ③	840,714 ③	1,778,502
Subtotal	\$9,556,788	\$4,115,714	\$13,672,502
Valuation of Building Permits Issued In Project Area			5,877,341 ③
Other Anticipated Construction In Project Area			16,438,000 ③
Total Estimated Increase In Property Valuation			\$35,987,843
Times: Assessment Rate25
Gross Increase In Assessed Valuation			\$ 8,996,960
Less: Existing Assessed Valuation of Area to be Cleared			724,860
Net Increase In Assessed Valuation			\$ 8,272,100
Existing Increase Over Frozen Tax Base			1,203,470
Basis of Tax Increment			\$ 9,475,570
Times: Tax Rate Per \$100 ÷ 100121524
Tax Increment			\$ 1,151,509
Maximum Annual Tax Allocation Bond Service (From Table 1) ..			550,800
Balance Available			\$ 600,709
Annual Base Rental Securing Parking Lease Revenue Bonds			585,000
Balance			\$ 15,709

① Source: Charles Kober Associates, AIA

② Source: Coldwell Banker

③ Source: City staff

THE CITY

Redlands is the third largest city in San Bernardino County. The city covers an area of 22½ square miles and lies within the San Bernardino Valley in the southwestern portion of San Bernardino County. It is situated 63 miles east of Los Angeles, 103 miles north of San Diego and 500 miles southeast of San Francisco. Redlands comprises part of the San Bernardino-Riverside-Ontario Metropolitan Area and is part of the locale of major population and economic growth.

Long known as the center of a leading citrus growing area, the site of an excellent university and an attractive residential community, Redlands also has a diversified commercial and industrial base.

The climate of Redlands is warm owing to its proximity to the Mojave Desert. The mean temperature of the average hot day in August is 87 degrees. The mean temperature of the coldest day in January is 41 degrees. Precipitation amounts to a yearly average of about 15 inches.

Municipal Government

The City of Redlands was incorporated in 1888. It is a general law city operating under the council-manager form of government. The City Council is composed of five members who are elected at large to alternating four-year terms at elections held every two years. The Council selects one of its members to serve as Mayor.

Population

The 1970 census showed a population of 36,355 for the City of Redlands, an increase of 35.5 percent from the 1960 population of 26,829.

The State Department of Finance certified the 1975 population of the city of 37,500.

Construction Activity

The number and valuation of building permits issued by the City of Redlands are set forth in the tabulation on the following page.

Employment

The 1974 San Bernardino County Industrial Directory lists 70 manufacturing firms in Redlands of which 13 employ more than 50 persons.

Major non-manufacturing employers include federal, state and local government, General Telephone Company, and the University of Redlands.

CITY OF REDLANDS

Building Permits and Valuations

Year:	1970	1971	1972	1973	1974
VALUATION					
Single Family Residential	\$1,889,190	\$ 2,352,160	\$1,869,870	\$1,892,275	\$ 596,700
Multiple Dwellings	1,195,930	3,067,955	3,830,350	187,850	65,000
Commercial	302,550	582,500	581,850	783,000	1,878,000
Industrial	375,900	288,600	253,110	134,000	637,650
Community Facilities①	1,776,000	1,554,470	37,000	1,883,920	315,900
Alterations	1,126,345	1,088,630	1,787,740	2,878,280	1,410,620
Other	241,735	1,160,165	439,410	1,109,110	403,523
Total Valuation	\$6,907,650	\$10,094,480	\$8,799,330	\$8,868,435	\$5,307,393
PERMITS					
Residential	122	156	107	80	20
Other New Construction	13	13	17	13	18
Alterations and Others	676	744	774	837	756
Total Permits	811	913	898	930	794

① Churches, hospital, schools and museum.

Shown below is the distribution of employment by industry for the City of Redlands and the surrounding communities of Bryn Mawr, Loma Linda, Yucaipa, Mentone, and Calimesa as of July 1970, the latest period for which information is available. These figures were estimated by the California Department of Employment Development.

REDLANDS LABOR MARKET

Employment

	July 1970 Estimates	
	Total	% of Total
Agriculture, forestry, fisheries ...	500	2.5
Mining	0	0.0
Contract construction	900	4.4
Manufacturing	3,400	16.8
Transportation, communication, utilities	900	4.4
Trade	3,300	16.3
Finance, insurance, real estate ...	700	3.4
Service	8,000	39.4
Government	2,600	12.8
Total	20,300	100.0

The local Redlands community labor market is located within the larger San Bernardino-Riverside-Ontario Metropolitan Labor Area. Most major employers located in this area are within easy commuting distance of Redlands. This larger area of employment analysis is much more meaningful in connection with measuring the economic impact on Redlands due to the mobility of labor within the area. The distribution of employment for the metropolitan area for the last two years is shown in the tabulation on the facing page.

The government sector, including federal, state, and local employees, and military civilian workers, was the leading category, followed by the trade and services sectors. The primary metals and transportation equipment industries were the leading employers amongst manufacturers.

Industry

The major manufacturing facilities with more than 50 employees located in Redlands are listed on the facing page.

The 1974 San Bernardino County Industrial Directory listed close to 1,000 fabricating, manufacturing, and processing firms ranging in size from less than 10 employees to more than 1,000 employees.

**SAN BERNARDINO-RIVERSIDE-ONTARIO
LABOR MARKET AREA
Employment**

Classification	March 1974	March 1975
Manufacturing	55,400	51,100
Mineral Extraction	2,600	2,600
Contract Construction	15,100	12,300
Transportation, Communication and Utilities	19,000	18,600
Trade	75,700	79,500
Finance, Insurance and Real Estate	12,100	11,900
Services	67,500	69,400
Government	83,600	88,100
Agriculture	21,900	20,700
Total	352,900	354,200

Kaiser Steel, located just 15 miles northwest of Redlands in Fontana, employs over 8,000 people and is the reason for the major employment being in the metals processing sector. As would be expected, much of the other major industry located in Fontana either supports or uses the output of Kaiser Steel.

Another major industry is citrus processing, owing to the citrus agriculture base of the county. The largest firm in this sector is the Orange Products Division of Sunkist Growers, Inc. Located in Ontario, the firm employs over 700 people.

Transportation equipment is another major industry and includes manufacturers of mobile homes and trailers, fiberglass parts, truck trailers and automobile parts, and aircraft maintenance.

Other major employers are the General Telephone Company (405) and the University of Redlands (469).

Military Activity

Four major military installations are located in San Bernardino County while two other facilities with headquarters in adjacent counties occupy portions of the county. Norton Air Force Base, near the City of San Bernardino, employs the largest military and civilian contingent. The principal installation at Norton is the 63rd Military Airlift Wing, and the base serves as one of the three ports of air embarkation and debarkation for the Pacific theatre.

George Air Force Base, near Victorville, is headquarters for the 479th Tactical Fighter Wing, providing pilot and maintenance crew training.

The Marine Corps Supply Station near Barstow has the responsibility of storage, maintenance, repair, issuance and shipment of military materials to Marine Corps installations worldwide. Advantages of the base include its desert site with low humidity and rainfall and excellent transportation facilities. Another Marine Corps facility located at Twenty-Nine Palms covers an area of 932 miles, principally

CITY OF REDLANDS

Largest Industries

Company	Employment	Product
Air Factors Co. Division of Wehr Corp.	100	Diffusers
Big Bear Timber	93	Particle board
Brookside Dairy	80	Dairy and milk distribution
La-Z-Boy West Division	225	Upholstered furniture
Pawnee Plastics	40	Thermoplastic extrusions
Richmond Corporation	145	Plastic packaging materials
Stevens Hosiery, Inc.	64	Women's hosiery
Teledyne Battery Products Division of Teledyne, Inc.	110	Aircraft, automotive and marine batteries
Tri-City Concrete	135	Ready-mix concrete
Universal-Rundle Corporation	85	Plumbing fixtures
Westinghouse Electric Corporation	112	Electric vehicles

Source: Redlands Chamber of Commerce.

serving training functions for regular and reserve forces.

Commerce

Shown below is a summary of taxable retail sales within the City of Redlands as reported by the State Board of Equalization.

As noted previously, a significant increase in commercial activity is expected to be produced by the shopping center which is part of the redevelopment project to be financed by the bonds currently being offered.

Banking

The Bank of America N.T. & S.A. has two branches in Redlands. The Bank of California N.A., Crocker National Bank, the Bank of Redlands, the Security First National Bank and the United California Bank each have one branch.

In addition, there are two savings and loan offices in the city, Provident Federal Savings and Loan Association and Redlands Federal Savings and Loan Association.

Transportation

Redlands is served by two major transcontinental railroads, the Santa Fe and the Southern Pacific.

Interstate Highway 10 is a six-lane freeway which passes through the city. It provides freeway access to San Bernardino, the Los Angeles area, eastern parts of San Bernardino County, and connects with other freeways for interstate and intrastate travel.

Redlands Municipal Airport, with a 4,500-foot runway, accommodates general aircraft. Ontario International Airport, 25 miles west of Redlands, is operated by the Los Angeles Department of Airports. It is served by Air California, Hughes Air West, American Airlines, Continental Airlines, Golden West Airlines, PSA, United Air Lines and Western Airlines.

Utilities

Electric power is furnished by Southern California Edison Company. Southern California Gas Company provides natural gas service. Telephone service is furnished by General Telephone and Electronics Corporation.

Education

All of the populated area of the City of Redlands is in the Redlands Unified School District. The district operates eleven elementary schools, three junior high schools, and a senior high school. A small portion of the city is within the boundaries of the San Bernardino Unified School District. Shown

CITY OF REDLANDS

Taxable Sales Distribution (in thousands)

Year:	1970	1971	1972	1973	1974
Apparel stores	\$ 2,524	\$ 2,681	\$ 2,754	\$ 2,449	\$ 2,240
General merchandise stores	9,121	5,175	7,564	7,663	7,583
Food stores	8,688	8,751	7,479	6,612	6,863
Package liquor stores	1,630	1,718	1,636	1,752	1,805
Eating and drinking places	4,201	4,782	6,435	7,439	8,424
Drug stores	1,192	1,312	1,231	1,234	1,297
Home furnishings and appliance stores	2,932	2,995	3,017	3,261	3,381
Building material and farm implement stores	1,441	1,420	1,150	1,234	1,369
Motor vehicle dealers, auto supply stores and service stations	17,800	20,745	24,666	29,622	27,294
Other retail outlets	3,845	4,139	5,073	6,286	8,652
Total Retail Sales	\$53,374	\$53,718	\$61,005	\$67,552	\$68,908
All other outlets	8,046	9,069	9,501	10,007	10,327
Total All Sales	\$61,420	\$62,787	\$70,506	\$77,559	\$79,235

below is the enrollment for the Redlands Unified School District in recent years.

ENROLLMENT OF SCHOOLS

Year	Elementary	Secondary
1970	8,407	5,732
1971	6,146	5,937
1972	5,743	5,744
1973	5,455	5,867
1974	5,186	5,692

An important factor in the economic and social makeup of the city is the presence of the University of Redlands. The University was founded in 1907 by the Baptist Church. In 1966 the university was reorganized to include the University College and Johnston College. Major fields of study at the University College are business administration, chemistry, education, government, English, engineering, music and physics. Johnston College emphasizes the "laboratory method of learning" in which the student's independent, class, and field work reinforce each other. Rather than separate academic departments, there are "Dimensions": Interpersonal, Intercultural, International, and Environmental.

The campus covers over 100 acres and contains 34 buildings surrounding a large quadrangle.

Just west of Redlands lies Loma Linda University, a Seventh-Day Adventist co-educational institution, with an annual enrollment of about 3,000. Other colleges within a short commuting distance of Redlands include the University of California at Riverside, California State College at San Bernardino, San Bernardino Valley Community College, and the Crafton Hills Community College.

Community Facilities

Redlands has one general hospital with a bed capacity of 195. Local medical practitioners include 81 physicians and surgeons, 22 dentists, and 15 miscellaneous specialists. Loma Linda University Hospital and the recently authorized Loma Linda Veterans Administration Hospital are 6 miles west of Redlands.

Recreational facilities include a movie theatre, the University of Redlands' Glen Wallichs Theatre, the Crafton Hills Community College Theatre, the Redlands Bowl (an outdoor theatre), a lawn bowling facility, two public swimming pools, 7 parks, 13 playgrounds, and a golf club.

Agriculture

Redlands is at the center of a major navel orange producing area. There are still many groves surrounding the city despite the increasing urbanization.

The following tabulation summarizes agricultural production throughout San Bernardino over the past five years.

SAN BERNARDINO COUNTY

Gross Value of Farm Production

	1970	1971	1972	1973	1974
Fruits and nuts	\$ 13,175,200	\$ 32,453,900	\$ 21,360,900	\$ 31,978,100	\$ 20,596,500
Vegetables	2,639,000	2,012,000	2,732,500	2,829,000	3,454,500
Field crops	6,092,900	5,608,000	6,472,000	9,074,000	12,065,100
Seed crops	36,000	82,000	45,300	101,600	96,900
Nursery products	2,792,100	2,884,600	4,117,200	3,551,200	4,462,700
Apiary products	279,000	389,400	662,700	1,302,200	1,174,000
Livestock and poultry ...	27,283,000	29,657,000	30,655,000	41,786,000	37,832,400
Animal products	113,910,100	115,944,300	126,387,700	172,828,000	205,921,500
Total Value	\$166,207,300	\$189,031,200	\$192,433,300	\$263,450,100	\$285,603,600

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